

1 **REBUTTAL TESTIMONY OF**

2 **THERESE A. GRIFFIN**

3 **ON BEHALF OF**

4 **DOMINION ENERGY SOUTH CAROLINA, INC.**

5 **DOCKET NO. 2019-226-E**

6 **Q. PLEASE STATE YOUR NAME, BUSINESS ADDRESS, AND POSITION.**

7 A. My name is Therese A. Griffin, and my business address is 220 Operation
8 Way, Cayce, South Carolina. I am the Manager of Energy Efficiency and Demand
9 Management for Dominion Energy South Carolina, Inc. (“DESC” or the
10 “Company”).¹

11 **Q. ARE YOU THE SAME THERESE GRIFFIN WHO HAS PREVIOUSLY**
12 **SUBMITTED DIRECT TESTIMONY IN THIS PROCEEDING?**

13 A. I am.

14 **Q. WHAT IS THE PURPOSE OF YOUR REBUTTAL TESTIMONY?**

15 A. The purpose of my rebuttal testimony is to address the assertion contained in
16 the testimony of ORS witnesses Philip Hayet and the report of J. Kennedy and
17 Associates commissioned by ORS (the “ORS Report”) concerning the high DSM
18 case modeled in the IRP. I also address the testimony of Dr. David Hill on behalf
19 of the Southern Alliance for Clean Energy (“SACE”) and the South Carolina

¹ South Carolina Electric & Gas Company (“SCE&G”) changed its name to Dominion Energy South Carolina in April 2019, as a result of the acquisition of SCANA Corporation by Dominion Energy, Inc. For consistency, I use “DESC” to refer to the Company both before and after this name change.

1 Coastal Conservation League (“SCCCL”), which is based on a misunderstanding of
2 how DSM programs were evaluated in the *Dominion Energy South Carolina: 2020–*
3 *2029 Achievable DSM Potential and PY10–PY14 Program Plan* (the “2019
4 Potential Study”) on which current DSM programs are based.

5 **Q. WHY WAS A HIGH DSM CASE MODELED IN THE IRP?**

6 A. The IRP statute requires the modeling of “low, medium and high cases” for
7 the adoption of energy efficiency measures.

8 **Q. WHAT WAS THE HIGH DSM CASE MODELED IN THE IRP?**

9 A. The high DSM case modeled in the IRP was a load forecast that assumed
10 DESC’s DSM activities would result in a 1% annual reduction in energy sales and
11 associated capacity demands among eligible customers. It was coupled with an
12 associated set of assumptions concerning future DSM costs.

13 **Q. WHAT DID THE IRP SAY ABOUT THE ACHIEVABILITY OF THE HIGH**
14 **DSM CASE MODELED IN THE IRP?**

15 A. As my testimony and the IRP itself noted, the high DSM case assumed a
16 level of reduction in energy sales that was significantly higher than the potentially
17 achievable levels of DSM-driven reductions in energy sales that had been identified
18 in the 2019 Potential Study. The 2019 Potential Study represented a thorough
19 evaluation of existing and expanded programs and measures to quantify a
20 reasonably achievable reduction in energy sales and demands on DESC’s system.
21 That study did not support a level of DSM energy sales reductions as high as 1%.

1 Therefore, the High DSM case was put forward as a planning assumption only and
2 did not indicate that a DSM plan could be formulated to deliver that level of savings
3 consistent with the cost effectiveness requirement of South Carolina law. For that
4 reason, the IRP properly pointed out on page 40 that: “The High DSM case was not
5 supported by the 2019 Potential Study and is based on estimates.”

6 **Q. WAS THAT STATEMENT IN THE IRP CORRECT?**

7 A. Yes. South Carolina law (S.C. Code Ann. § 58-37-20), provides that the
8 “South Carolina Public Service Commission may adopt procedures that encourage
9 electrical utilities and public utilities providing gas services subject to the
10 jurisdiction of the commission to invest in *cost-effective energy efficient*
11 *technologies and energy conservation programs*” (emphasis supplied). After
12 careful study and the evaluation of a comprehensive range of energy efficient
13 technologies and programs for practicality and cost effectiveness, the 2019 Potential
14 Study determined that the suite of programs that the Commission approved in Order
15 No. 2019-880 represented programs that would be cost-effective and practical for
16 implementation over the five-year DSM program horizon. For that reason, it was
17 entirely accurate to state that the High DSM case is not supported by the 2019
18 Potential Study.

19 **Q. DOES YOUR DIRECT TESTIMONY IN THE DSM DOCKET DESCRIBE**
20 **THE STAKEHOLDER PROCESSES, METHODOLOGY, INPUTS,**

1 **MEASURES AND PROGRAMS REVIEWED AND THE CONCLUSION OF**
2 **THE 2019 POTENTIAL STUDY?**

3 A. Yes. It does.

4 **Q. HOW EXTENSIVE WAS THE PROCESS BY WHICH THE 2019**
5 **POTENTIAL STUDY WAS SCOPED, CONDUCTED, REVIEWED AND**
6 **FINALLY ADOPTED BY THE COMMISSION?**

7 A. In 2017, DESC independently made the decision to conduct a potential study.
8 In late 2017, the initial stakeholder meetings to review the scope and methodology
9 of the 2019 Potential Study began, and stakeholder involvement continued through
10 completion of the study in 2019. The study itself required approximately 18 months
11 to complete from those initial scoping sessions to the final report. The regulatory
12 process through which this Commission reviewed its conclusions required an
13 additional period of slightly less than six months from filing through hearing to
14 initial order. Implementation of the plan began earlier this year. In short, the process
15 took over two years.

16 **Q. IS THERE ANY REASON TO REOPEN THE PLAN AND RELITIGATE IT**
17 **IN THIS PROCEEDING?**

18 A. I do not believe that there is any reason to reopen the plan and relitigate it in
19 this proceeding—even assuming that doing so would be possible in this docket. The
20 2019 Potential Study was fully reviewed and evaluated in Docket No. 2019-239-E
21 and implementation of it is underway this year. The Company should have the

1 opportunity to implement these programs, assess customer satisfaction, and evaluate
2 the results, none of which can be performed if the programs are relitigated.

3 The required DSM annual filing to the Commission continues, and
4 evaluation activities will be subject to annual independent, third-party review based
5 on an annual Evaluation, Measurement and Verification (“EM&V”) program
6 required by this Commission to objectively measure the costs and savings
7 generated. The results of those evaluations will be shared with ORS and the
8 stakeholders, including a number of the parties represented here. The plan as a
9 whole will be reviewed and updated within five years of implementation, which,
10 given the time involved in preparing such a study, means that a new potential study
11 will need to begin to be scoped sometime near the end of year three (Program Year
12 13).

13 **Q. HOW DO YOU RESPOND TO THE ASSERTION OF SCCCL’S AND**
14 **SACE’S WITNESS MR. HILL THAT THE 2019 POTENTIAL STUDY**
15 **IMPROPERLY FAILED TO MODEL A HIGH DSM CASE?**

16 A. SCCCL and SACE were parties to Docket No. 2019-239-E in which the 2019
17 Potential Study was presented and approved as the basis for DESC’s current DSM
18 programs. In that proceeding, Mr. David Pickles, the ICF witness who sponsored
19 the 2019 Potential Study, explained that the study did not model specific “cases”
20 but evaluated specific energy saving measures to determine which ones would be
21 cost effective if implemented in DESC’s service territory. The evaluation was

1 conducted using the Total Resource Cost (“TRC”) Test, which is the industry
2 standard for evaluating cost effectiveness. The analysis included energy savings
3 that had been evaluated during the first eight years of the programs and added
4 natural gas and water savings where such savings could be anticipated.

5 ICF evaluated these measures based on all available information, including
6 information concerning the specific demographics, income levels and housing stock
7 in DESC’s service territory; surveys of the number, age and efficiency of existing
8 appliances; and the customer participation levels and savings achieved over the
9 eight years that prior DSM programs and measures were offered as verified through
10 the eight annual EM&V reports. ICF also considered feedback from trade allies and
11 vendors (including HVAC and appliance vendors) concerning the programs that
12 they could support and effectively market to their customers.

13 All measures that passed the TRC test were included in the programs that
14 were presented for approval by the Commission and in fact include some specific
15 measures that did not pass the TRC but would be difficult to unbundle from related
16 measures that did pass. In 2020, as provided for in Order No. 2019-880, DESC asked
17 ICF to reanalyze all programs in light of updated avoided costs approved by this
18 Commission in Docket No. 2019-184-E. As a result, additional measures were
19 found to be justified under the TRC test and are being added to the appropriate DSM
20 programs.

1 In short, the 2019 Potential Study did not model alternative high or low suites
2 of DSM programs. Instead, using all of the data listed above, the 2019 Potential
3 Study identified out of a pool of measures those that could be implemented in
4 DESC's territory. The measures and programs identified resulted in a doubling of
5 DESC's existing expenditures on DSM and an increase in the DSM-related
6 reduction in DESC's annual energy sales by approximately 47%.

7 The 2019 Potential Study is the base assumption as to what DESC believes
8 is most likely to be achieved concerning DSM savings. Mr. Hill's assertion that the
9 2019 Potential Study improperly failed to model a "high" DSM scenario is
10 inconsistent with the intent of the study, its methodology, and its results—each of
11 which was subject to considerable stakeholder review and input during the conduct
12 of the 2019 Potential Study and later acceptance by this Commission.

13 **Q. HOW DO YOU RESPOND TO THE ASSERTION OF SCCCL'S AND**
14 **SACE'S WITNESS MR. HILL THAT REGIONAL AND NATIONAL**
15 **BENCHMARKING SHOW THAT DSM ENERGY SAVINGS OF 1% OR**
16 **MORE ARE ACHIEVABLE?**

17 A. This argument is identical to an argument that Mr. Hill's clients, SCCCL and
18 SACE, raised in Docket No. 2019-239-E that the Commission did not accept. In
19 fact, Mr. Hill's Figure 5 is identical to the benchmarking chart presented by SCCCL
20 and SACE witness Ms. Chant in that docket.

21 **Q. WAS THAT MATTER DISCUSSED IN ORDER NO. 2019-880?**

1 A. Yes. Order No. 2019-880 discusses Mr. Hill's argument at length. The
2 Commission's findings accurately summarized the testimony presented in response
3 to Mr. Hill's argument. It remains accurate, and I will quote them at length:

4 The Joint Interveners [SCCCL, SACE and the South Carolina
5 Chapter of the NAACP] justify adopting a 1% target going forward based
6 on energy efficiency results they argue have been achieved by other
7 utilities in the recent past. DESC responds that, in recent years, energy
8 efficiency market conditions have changed dramatically:

9 Over the past ten years, federal and state
10 efficiency standards and DESC's DSM programs
11 have captured a great deal of the easily-achieved
12 energy efficiency gains on our system. Under the
13 mandates of the Energy Independence and Security
14 Act of 2007, millions of incandescent light bulbs
15 have been replaced by CFLs, and now LEDs.
16 Federal mandates have greatly increased the
17 efficiency of the heating and cooling units being
18 installed on our system, including air conditioning
19 units and heat pumps. Building codes, construction
20 techniques and home building practices have
21 resulted in increased home energy efficiency and
22 better insulated houses. As a result, the target
23 markets for DSM programs have shifted. Achieving
24 additional savings has become more difficult and
25 more expensive in light of past efficiency gains and
26 current efficiency standards.

27
28 Tr. at 18.5-18.6. As a consequence, the reported efficiency gains on
29 which the Joint Interveners rely were achieved under very different
30 market conditions and in different service territories with different
31 statutory and regulatory rules for DSM. For that reason, this historical
32 data cannot establish that a suite of programs targeted to meet a 1% goal
33 in DESC's service territory and under current DSM market conditions
34 would be cost-effective as S.C. Code Ann. § 58-37-20 requires.

35 Furthermore, the Joint Interveners based their proposed 1% goal in
36 part on national statistics, but those statistics show that 74% of the
37 jurisdictions reporting (37 of 50) have achieved savings of less than 1%.
38 Tr. at 66.11-66.13. [DESC Witness] Mr. Pickles pointed out that the states

1 that did achieve a 1% target included states with:

- 2 • Very different retail rate levels than on DESC's system
- 3 (including high cost states such as Hawaii, California,
- 4 Massachusetts and Connecticut where rates make DSM
- 5 savings easier to achieve);
- 6 • Different weather patterns from South Carolina and therefore
- 7 different weather-related energy usage patterns and different
- 8 opportunities to achieve savings;
- 9 • Different cost-effectiveness standards than those used in this
- 10 jurisdiction;
- 11 • Different penetration of natural gas as an alternative to
- 12 electricity;
- 13 • Different approaches to computing net-to-gross ratio, which
- 14 can inflate reported savings;
- 15 • Different approaches to opt-out for commercial and
- 16 industrial customers (DESC has a very flexible opt-out
- 17 programs for industrial and commercial customers which
- 18 limits the energy savings that can be achieved through its
- 19 DSM programs); and
- 20 • Different levels of rate impacts from DSM programs, which
- 21 in some cases far exceed anything historically approved by
- 22 this Commission.

23
24 Order No. 2019-880 at 15-17. The Commission rejected the same analysis that
25 SCCCL and SACE present here and found that “[e]valuating DESC’s system based
26 on these statistics is potentially misleading.” Order No. 2019-880 at 17.

27 Mr. Hill presents nothing in his testimony in this proceeding that calls the
28 Commission’s factual or policy conclusions into question. The facts and analysis
29 summarized in Order No. 2019-880 remain valid. The regional data that Mr. Hill
30 presents in his Figure 5 reflect savings that were achieved in programs dating from
31 2010, 2011, and 2012—none more recent than 2016. The Federal lighting
32 standards, which greatly increased the availability of high efficiency lights, were

1 just taking effect in 2012. Increased efficiency standards for appliances mandated
2 under the Energy Policy Act of 2005 and the Energy Independence and Security Act
3 of 2007 were also taking effect during this time. During this time, DSM programs
4 were targeted to accelerate customer replacement of existing technology with these
5 newly-mandated alternatives. It was possible to achieve high levels of DSM savings
6 in that context. Today, energy efficiency gains for lighting and appliances are much
7 less dramatic and more incremental. Similarly, as the Commission found, it is
8 misleading to assume that the DSM results reported by utilities in states with higher
9 rates, different climates, different cost effectiveness standards, different
10 conventions for counting savings, and different opt-out provisions are indicative of
11 results that can be obtained on a cost effective basis in DESC's service territory.

12 **Q. BASED ON YOUR REBUTTAL TESTIMONY, WHAT ARE YOU**
13 **REQUESTING THE COMMISSION TO DO?**

14 A. I am asking the Commission to recognize that DESC's DSM program
15 represents a forecast of DSM savings that can be justified as cost effective under
16 current conditions. I also ask the Commission to affirm that DESC's current DSM
17 program and the 2019 Potential Study on which it was based was formulated with
18 extensive stakeholder input, fully litigated before this Commission and
19 appropriately quantifies the DSM savings that can be anticipated at this time.
20 Nothing that the intervenors in this proceeding have put forward credibly refutes
21 these facts.

1 **Q. DOES THIS CONCLUDE YOUR REBUTTAL TESTIMONY?**

2 **A. Yes.**

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